

# *Lean Continuous Improvement*

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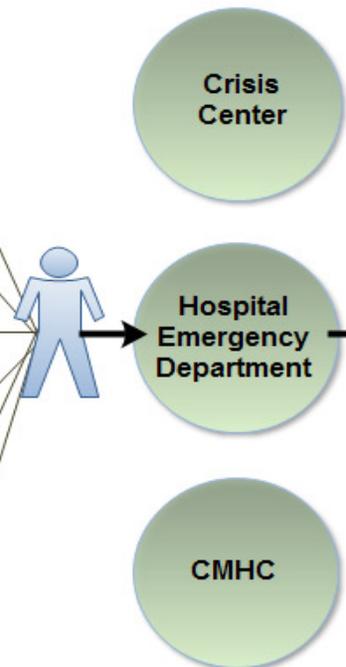
## *New Hampshire Hospital Billing and Reimbursement Process*

# Overview

## Mental Health Services System State of New Hampshire

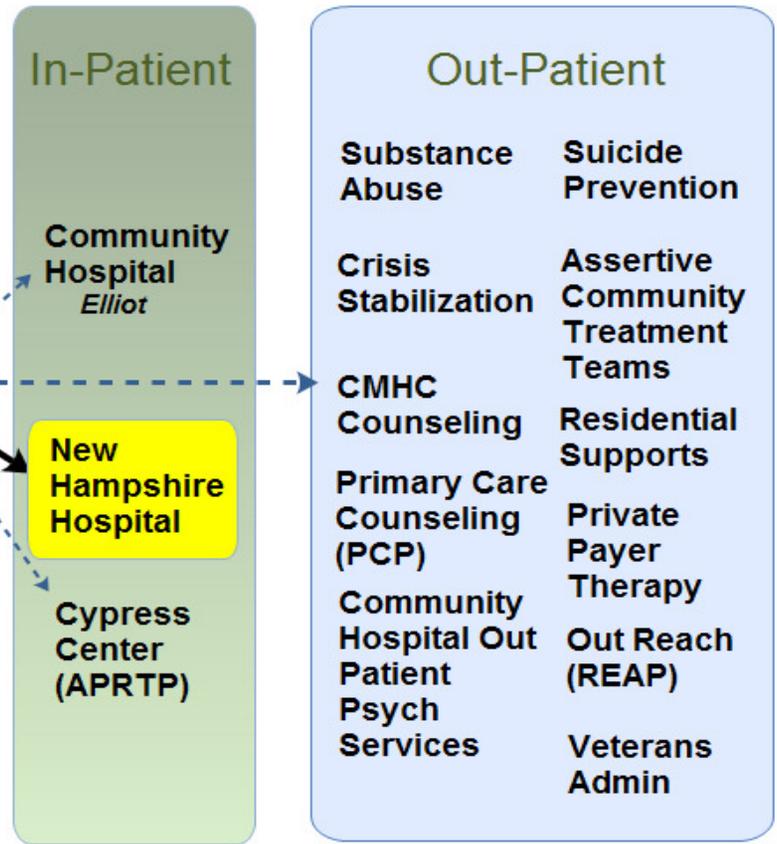
### Individuals in Crisis

- Self
- Voluntary
- Police
- Involuntary
- CMHC
- Referral
- Family
- Guardian
- Community
- Partner(s)
- Homeless
- Shelter



Emergency Services Process

### Services



**In-Patient**

Community Hospital Elliot

**New Hampshire Hospital**

Cypress Center (APRTP)

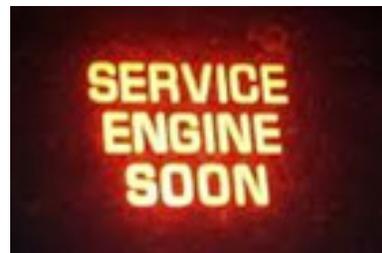
**Out-Patient**

Substance Abuse	Suicide Prevention
Crisis Stabilization	Assertive Community Treatment Teams
CMHC Counseling	Residential Supports
Primary Care Counseling (PCP)	Private Payer Therapy
Community Hospital Out Patient Psych Services	Out Reach (REAP)
	Veterans Admin



## *Problem Statement*

***The current process  
does not monitor or detect all opportunities  
to optimize reimbursement***



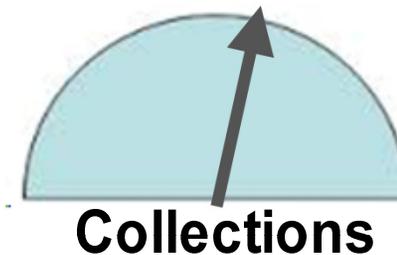


## **Project Goals**

***The Billing and Reimbursement process will be:***

- transparent***
- more effective***

***Increase revenue to NHH***

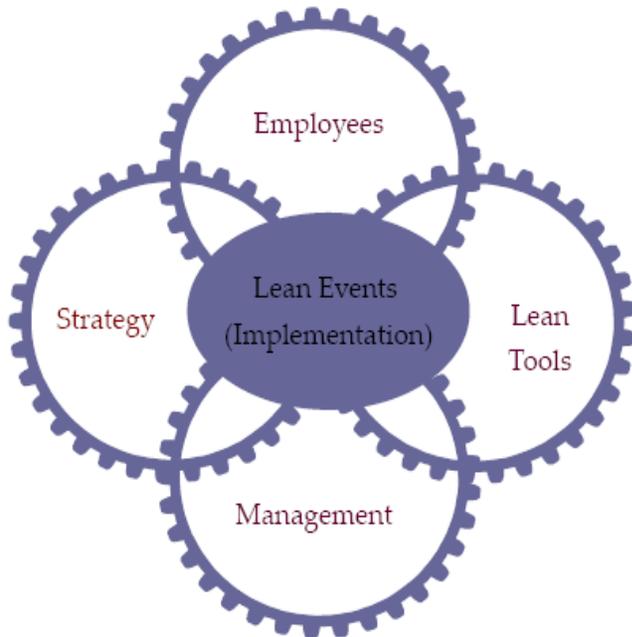


***Shorten the processing times***

***Increase employee satisfaction***



## Project Phases



- ➔ 1. Create a Project Charter
- ➔ 2. Current State Assessment
- ➔ 3. Brainstorming / Innovation  
Empower Employees
- ➔ 4. Future State Design
- ➔ 5. Implementation Plan



## *Team Members*

### **Core Team Members:**

- ❑ Robert Macleod Chief Executive Officer NHH
- ❑ Winnona Vachon Director Health Information Department NHH
- ❑ Janet Knab Administrator Quality & Utilization Management NHH
- ❑ Jim Dall Chief Financial Officer NHH
- ❑ Richard Willgoose Administrator, Performance and Resource Management NHH
- ❑ John MacPhee Lean Coordinator DHHS
- ❑ Sheila Gagnon Financial Manager NHH
- ❑ Tashia Blanchard Administrator II for the Office of Reimbursement DHHS
- ❑ Edith Hios Supervisor for the Office of Reimbursement DHHS
- ❑ Rebecca Lorden Billing Supervisor NHH
- ❑ Patricia Gilbert Billing Department NHH
- ❑ Sheri Rockburn Director of Finance Division of CBCS DHHS

### **Caucus Members:**

- ❑ David Folks M.D. Chief Medical Officer NHH
- ❑ Stacey Calabro Administrator Community Integration Dept. NHH
- ❑ Dawn Touzin Legal Analyst; Office of Operations DHHS

## *Why Lean Succeeds*

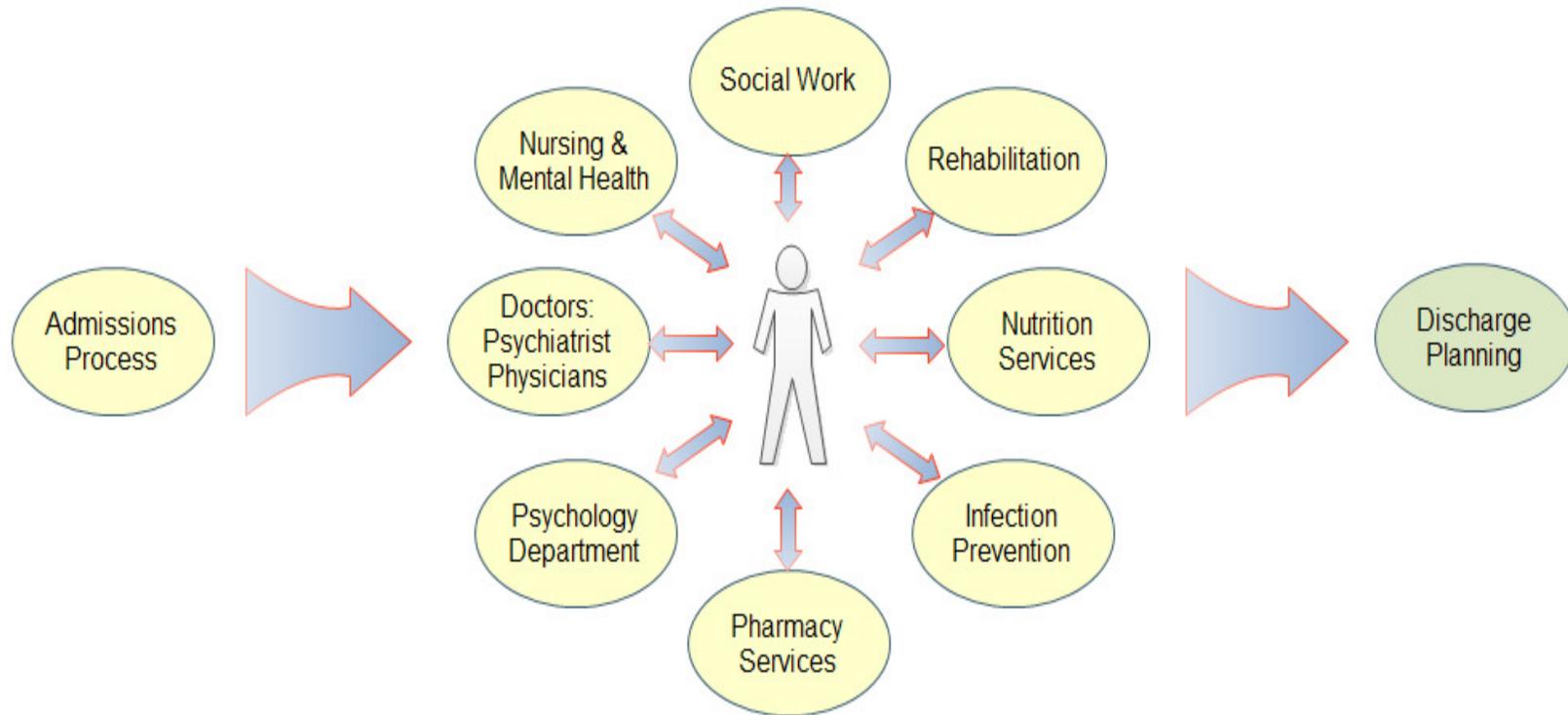
### *Plan for the Lean event:*

- *Learn about the process before the meetings*
  - *Who is the customer, terminology used, job functions, etc.*
  - *Create an agenda for the kick-off meeting*
  - *Do homework up-front*
- *Approach the workforce with respect and humility*
- *Listen, Listen, Listen*
- *Build working relationships and credibility*

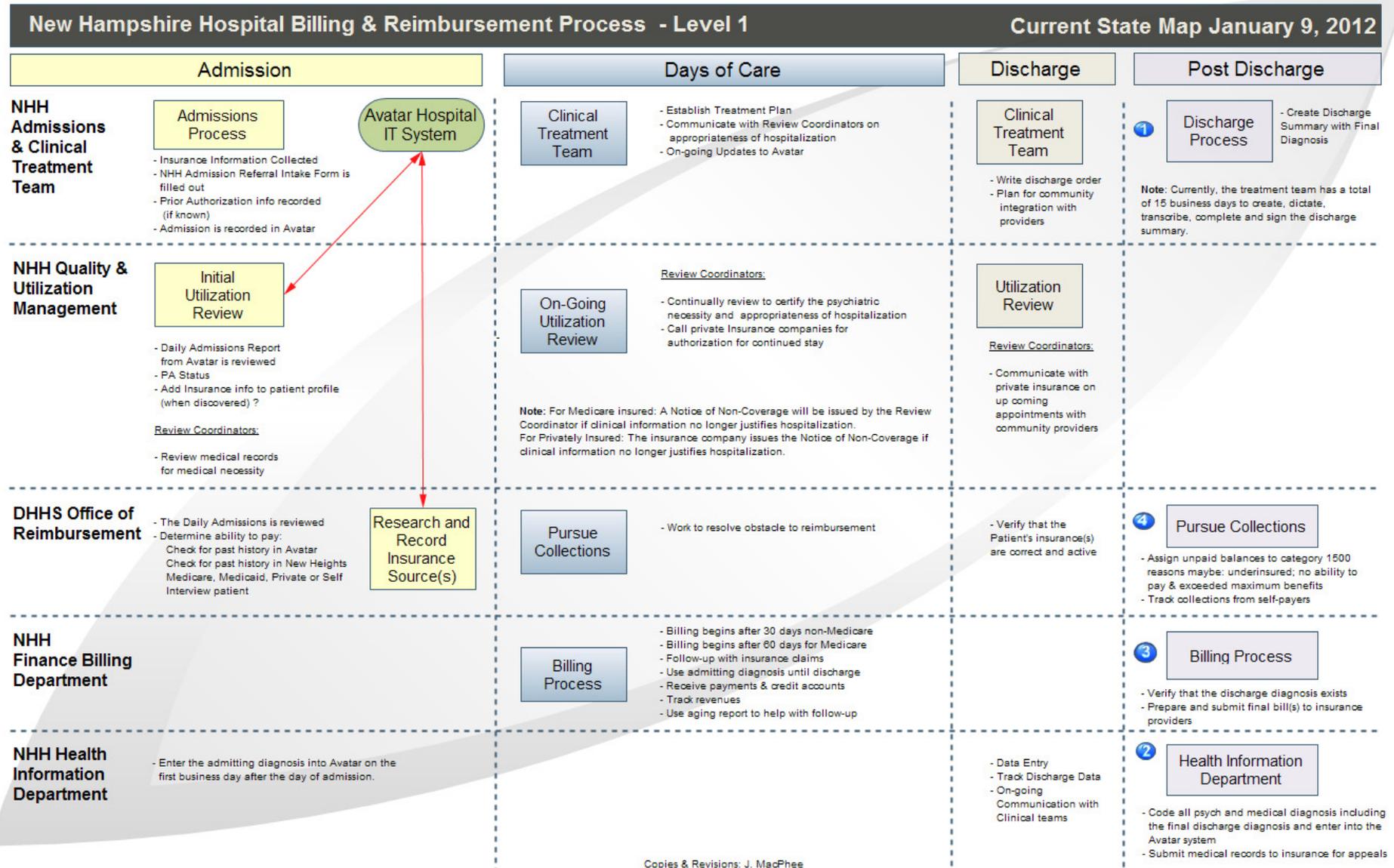


# *New Hampshire Hospital Services*

## On-Going Services

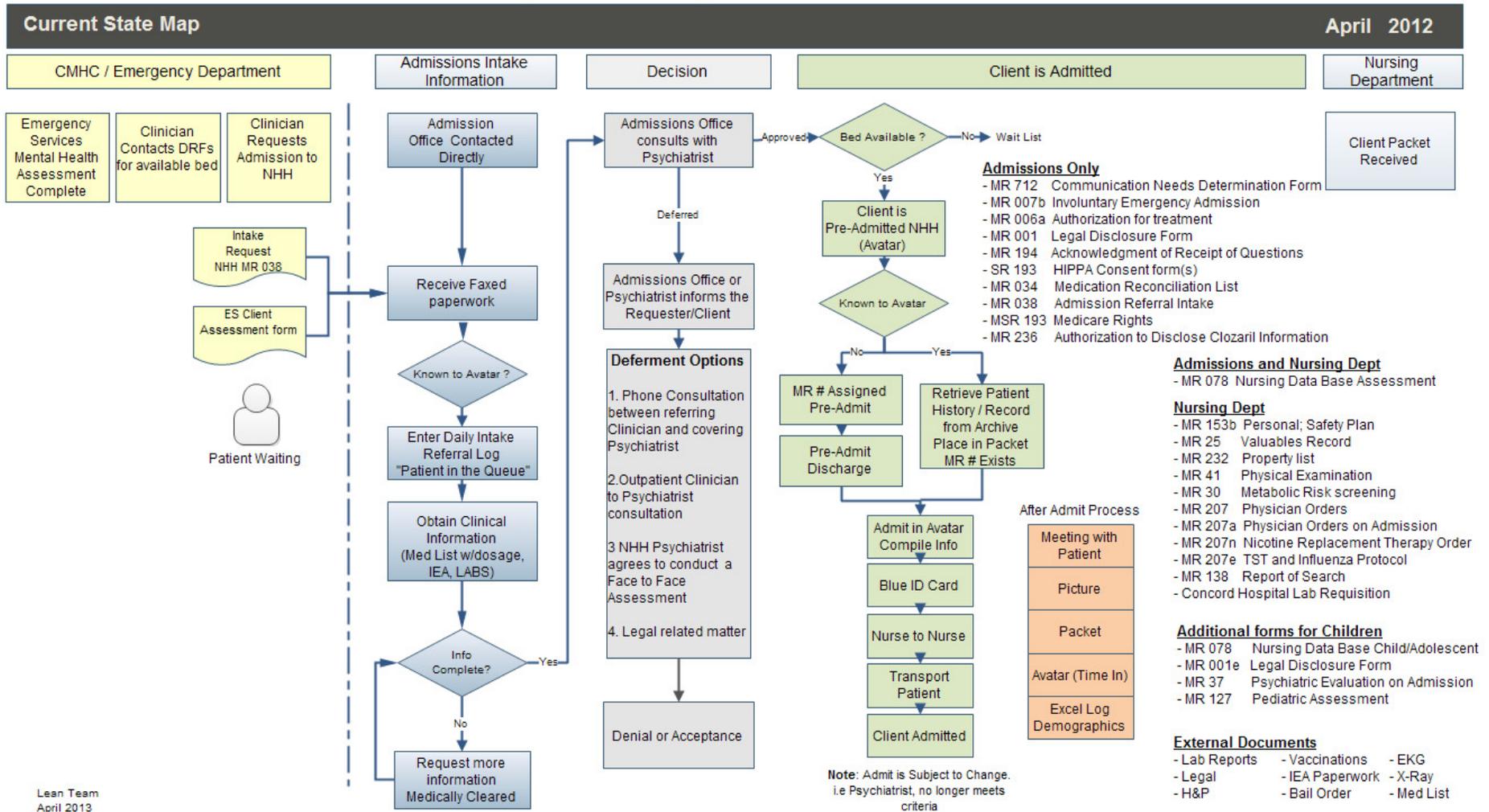


# Current State Process Map - Level 1



# Current State Process Map - Level 2

## New Hampshire Hospital Admission Process

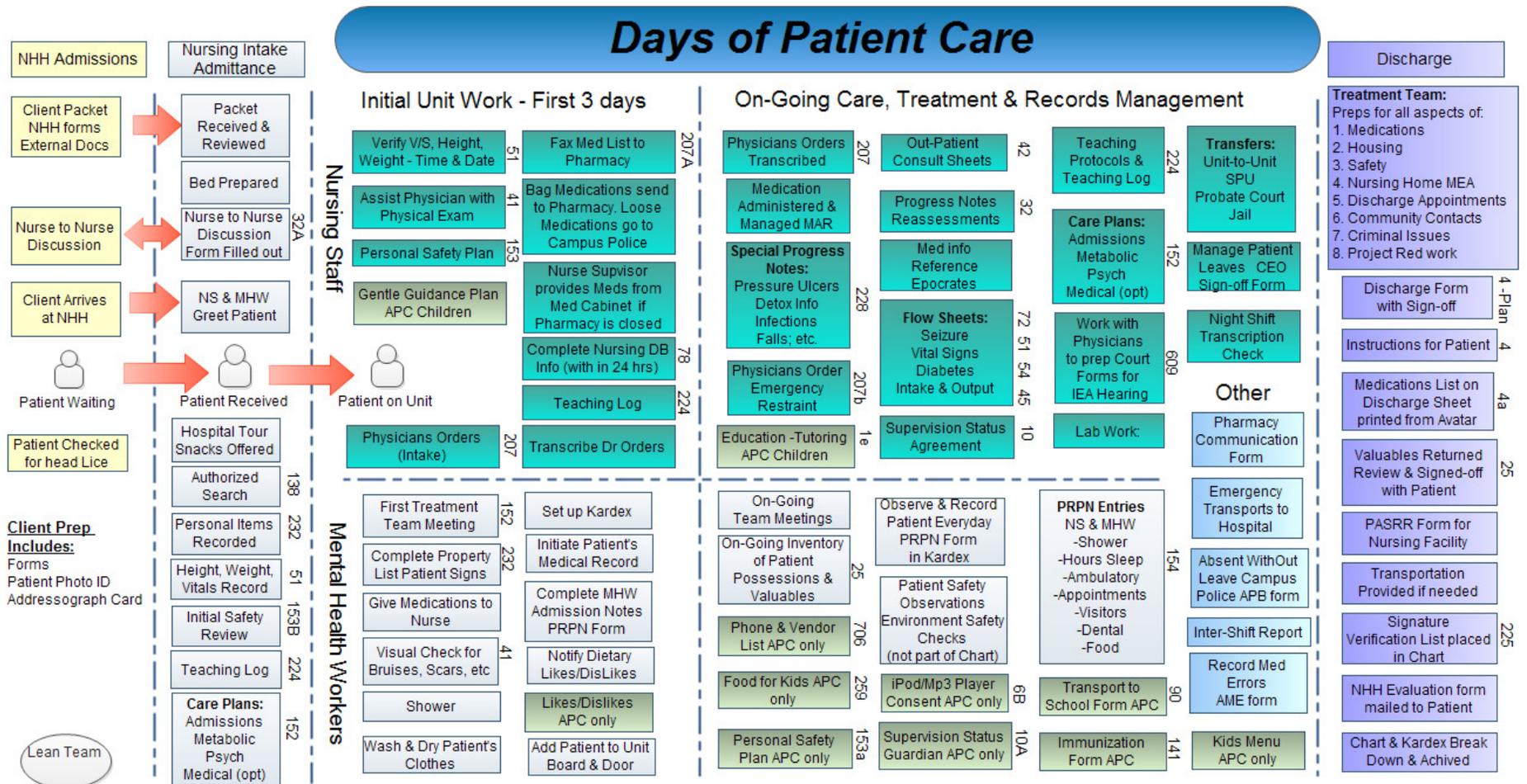


September 2013

# Current State Process Map - Level 2

## New Hampshire Hospital Nursing & Mental Health Workers

### Current State Map



September 2013

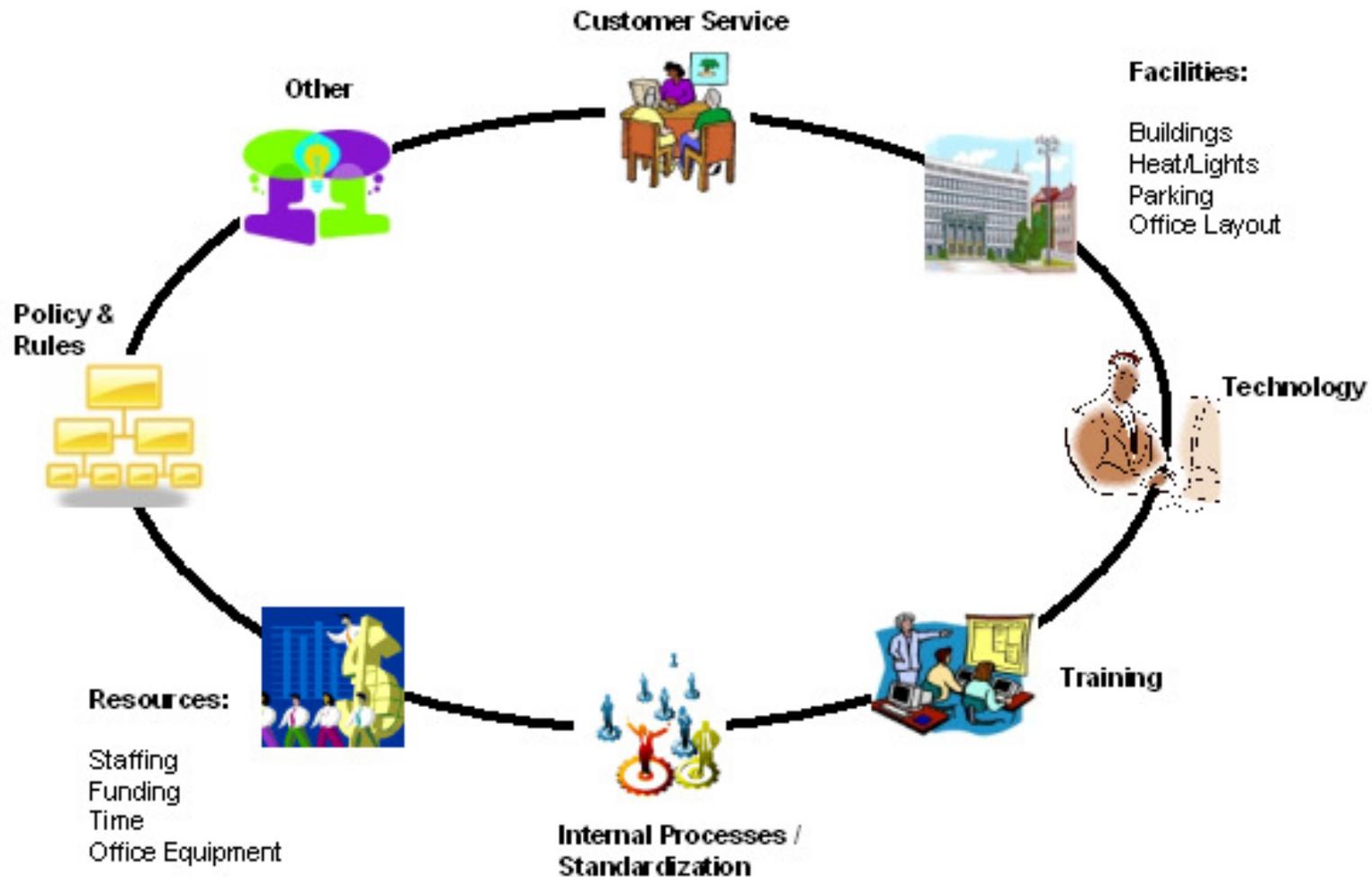


## **Brainstorming**

- ***Empower Employees***
  - ***The front-line workers see many more problems and opportunities that management does not***
  - ***Lean taps into the intellectual and creative capitol of the employees***
  
- ***What are the Pain Points –***
  - ***Something that adds difficulty, time, confusion or delays to the process***
  - ***Employee Frustration***

# Brainstorming

- *Look at each step in the process*
  - *Could this be simpler, faster, less confusing?*





## Innovation

- ***My job would be better if \_\_\_\_\_***
- ***What would you do about it ?***
- ***Researched other hospitals***
- ***What value is this work adding ?***



## *The Action*



### *Determine Root Causes*

***Created a list of insurance denial reasons***

### *Examples:*

***Sent the bill to the wrong insurance company***

***Prior Authorizations missing***

***Wrong Billing Code***

***Insufficient information to support the level of care***

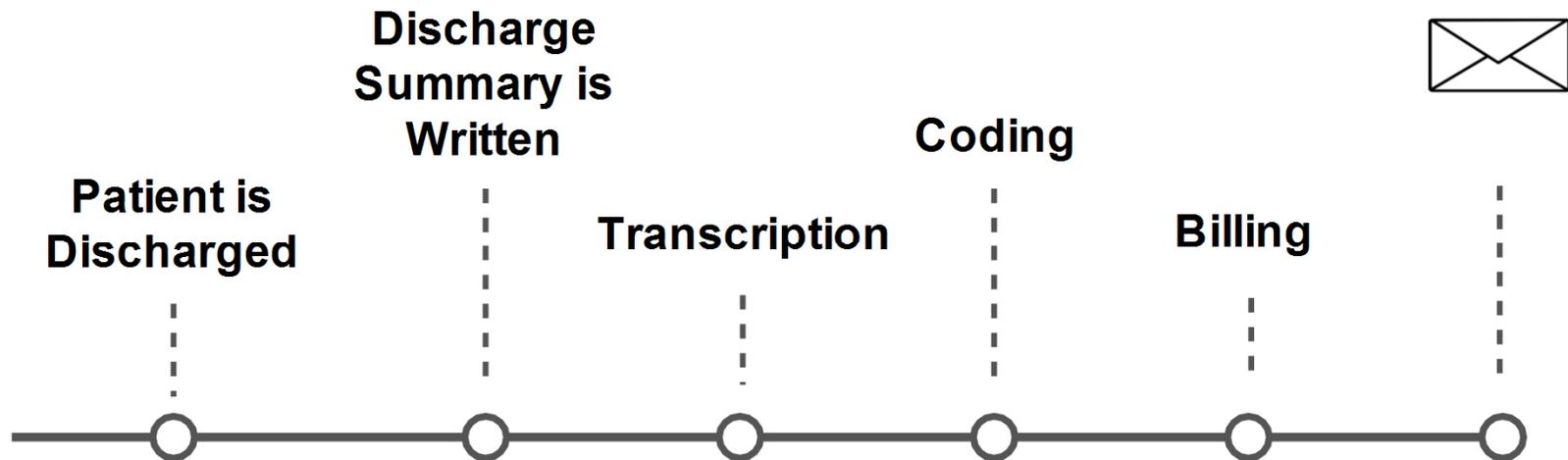
***Maximum Benefits reached***

# The Action



***Shortened the time to get the bill in the mail  
From 15 Days to 8 Days***

## Discharge to Billing Time Line





- ***Information Technology***
  - ***Revised Security***
  - ***Utilized advance features***
  
- ***Provided better information to Insurance for appeals***
  
- ***Recommended Electronic Health Records***
  - ***Modernize operations***
  - ***Paperless***

# The Project Plan



- **Tasks were assigned to individuals & teams**
- **Requested capitol investments**
- **Defined reporting requirements**
- **Set timelines**

NHH Billing, Reimbursement & Related Projects						Oct 18, 2011
Ref No	Actions	Area of Responsibility	Task	Status	Remarks	who
<b>Billing &amp; Collections</b>						
3	Optimize room and board reimbursements through an effective and efficient process for creating and sending bills to the correct insurer and responding to reimbursement issues, including creating an effective appeals process. Include personnel from billing, reimbursement and utilization		<b>Develop, streamline and standardize processes. Improve inter-department communication.</b>			
			<b>3A Insurance Denials</b> - Form a Committee to first, identify reasons for insurance denials and then determine how best to resolve issues. Coordination between departments is essential. Procedures and intersects between departments	In Process	This is a project with many separate tasks.	<b>A Team</b>
			<b>3A-1 Denials</b> Identify, report and categorize all insurance denial reasons. Quantify the amount of dollars not collected because of insurance denials	Done	Initial work from OOR and Billing produced the "Barriers to payment" list	<b>A Team</b>
			<b>3A-2 Denials</b> Use the financial eligibility screens in AVATAR to record which bills have been denied to better communicate to all departments and expedite the work to resolve denials. One example: is to know if the denial is due to clinical reasons or administrative reasons.		The information on the screens need to be populated and maintained by all throughout the process for this improvement to work and a system is needed to track the status of appeals.	<b>A Team</b> Work with AVATAR Support to understand the options of the upcoming release of AVATAR 2010
			<b>3C Appeals</b> - Form a committee to improve the process and timeliness of administrative and clinical appeals	Meeting Planned	Optimize Reimbursements	
			<b>3C-1 Appeals</b> Medical records for clinical denials should be sent to the insurance companies from the Health Information Department (HID). Medical records are required for the appeals process. Currently, the	Done	It will be more appropriate for the records to come from the NHH HID because the information and reviews are clinical in nature. It will help streamline the internal	Done Implemented

# *The Results*



➤ ***Increased Collections 6%***

*(\$ 800,000 SFY 2011 – 2012)*

➤ ***Saved Staff Time***

*Reduced Insurance Payment Denials*

➤ ***Getting Reimbursed Sooner***

*Shortened the Billing & Reimbursement time*

## *The Results*



- ***Resolved Confusion & Delays***  
*Prior Authorizations*  
*Appeals Information*  
*Consolidated Patient Authorizations*
- ***The process is transparent and more effective***  
*Mapped Processes*   *Shared Technology*
- ***Employee Satisfaction***

**BEST  
PLACES  
TO WORK**

## *Why Lean Succeeds*

- *Lean methodology is highly-structured*
- *Proceed carefully & inclusively work towards team consensus and changes that make sense*
- *Ask for pain points, barriers, and frustrations*
- *Success is when employees are part of the solution*
- *Keep it visual*

*End of Presentation*

*Continuous Improvement*

Lean

New Hampshire

